

Message Text

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53

ORIGIN XMB-07

INFO OCT-01 AF-10 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 /084 R

66611

DRAFTED BY XMB JAMES C CRUSE

APPROVED BY EB/OCA/REP:LAKLIEFORTH

XMB:DON BOSTWICK

AF/N:RSMITH

EB/IFD/ODF EMLINTON

----- 035669

R 081403Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY KHARTOUM

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E.O. 11652: N/A

TAGS: EFIN, SU

SUBJECT: EXIMBANK REQUIREMENT OF COMMERCIAL BANK GUARANTEE

REF: (A) STATE 089549; (B) KHARTOUM 1294; (C) KHARTOUM 1704

1. AS INDICATED IN REF C, EXIM DID DENY REQUEST BY SUDAN TEXTILE TO DROP COMMERCIAL BANK GUARANTEE REQUIREMENT IN SPITE OF EMBASSY'S AFFIRMATION THAT GUARANTEE FEES WERE PROBABLY EXCESSIVE. IN REF A EXIM STATED THAT IT WOULD CONSIDER DROPPING REQUIREMENT IF ALLEGED CHARGES WERE CONFIRMED; NOT STATED BUT IMPLICIT IN ALL EXIM ACTIVITIES WAS THE CONDITION THAT THE FINANCIAL STRENGTH OF SUDAN TEXTILE (OR ITS HOLDING COMPANY ARABIAN TEXTILE) BE SUFFICIENT BY ITSELF TO PROVIDE THE REASONABLE ASSURANCE OF REPAYMENT REQUIRED BY CONGRESS FOR EACH EXIMBANK ACTION. IN THE OPINION OF EXIM, FINANCIAL POSITION OF SUDAN/ARABIAN TEXTILE DID NOT PROVIDE SUCH ASSURANCE.

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2. REQUIREMENT OF COMMERCIAL BANK GUARANTEE NOT REPEAT NOT

ABSOLUTE, BUT USED ONLY TO ENSURE--GIVEN USUAL LACK OF FINANCIAL DATA ON PRIVATE SECTOR SUDANESE BUYERS--THAT EXIM OPERATES WITHIN GUIDELINES LEGISLATED BY CONGRESS. EVEN UNDER REFORMED FEE SYSTEM REPORTED REF. C, WAIVER OF GUARANTEE WOULD BE POSSIBLE IF EQUIVALENT SECURITY AVAILABLE (I.E. EITHER FROM BUYER'S FINANCIAL POSITION OR SOME OTHER GUARANTEE).

3. EXIM GREATLY APPRECIATES WORK DONE BY EMBASSY ON THIS MATTER AND COMPLIMENTS STAFF ON APPARENT SUCCESS IN REDUCING ARTIFICIAL BARRIER TO EXIMBANK SUPPORT OF U.S. EXPORTS TO SUDAN. ROGERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE156198
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730850/aaaabkto.tel
Line Count: 72
Locator: TEXT ON-LINE
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
Review History: RELEASED <14-Jan-2002 by kelleyw0>; APPROVED <28 FEB 2002 by golinofr>
Review Markings:

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30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: EFIN, SU
To: KHARTOUM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005